

In re:)	
)	
INPELLIS, INC.,)	Chapter 7
)	
Debtor.)	Case No. 18-12844-CJP
)	
)	

11025749v1

1. Pursuant to the Bidding Procedures, interested bidders were required to pay a deposit and make certain disclosures to the Receiver and Trustee at least seven (7) days prior to the scheduled auction.

2. Convergent Distributors of Texas, LLC (“Convergent Distributors”) was the only entity that submitted a deposit and other required information. Convergent Distributors disclosed that it is a wholly owned limited liability company of Lattimore Properties Inc. (“LPI”) a Texas C -Corp owned by the Lattimore Family, and that LPI is the General Partner of Bio Strategies LP, which is the largest of the BioChemics, Inc. E-series stockholders. Neither Convergent Distributors nor LPI have any relationship with the Receiver or the Trustee.

3. The Trustee and Receiver conducted the auction via Zoom on September 22, 2020 beginning at approximately 11:00 a.m.

4. At the start of the auction, the Receiver and Trustee announced that the minimum bid for purchase of the assets would be \$400,000.

5. Convergent Distributors submitted an initial bid of \$300,000 for the assets. Following submission of the bid, the Receiver and Trustee suspended the auction and caucused in a virtual break-out room to discuss the bid. While the Receiver and Trustee were still caucusing, Convergent Distributors’s counsel called the Trustee and advised him that the bid was being revised to \$300,000 for purchase of the assets *plus* the release of certain litigation claims held by the Trustee estate against NEBO, an affiliate of LPI.

6. The Receiver and Trustee returned to the auction and had counsel to Convergent Distributors confirm the revised bid on the record. The Receiver and Trustee rejected the revised offer because a release of the NEBO claims was not authorized under the sale order and could not be effectuated through the auction process. In addition, the Trustee indicated that, in any

event, he was not willing to include a release of claims against NEBO in the sale of the Inpellis intellectual property.

7. Convergent Distributors submitted no further bid for the assets and the Receiver and Trustee concluded the auction without accepting any bid for the assets.

Respectfully submitted,

MARK G. DEGIACOMO, RECEIVER
OF BIOCHEMICS, INC.,

JOHN J. AQUINO, CHAPTER 7 TRUSTEE
OF INPELLIS, INC.,

By his attorneys,

By his counsel,

/s/ Jonathan M. Horne

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Dated: September 25, 2020

CERTIFICATE OF SERVICE

I, Jonathan Horne, hereby certify that on the 25th day of September, 2020, I caused to be served a copy of the forgoing document to the parties receiving notice through the Court's ECF system.

/s/ Jonathan M. Horne

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